

**THE COUNTY BULLETIN
and Uniform Compliance Guidelines
ISSUED BY THE STATE BOARD OF ACCOUNTS**

Volume 307, Page 1

April 1996

REMINDER OF ORDER OF BUSINESS

April

- 2 & 3 State Board of Accounts called meeting for County Recorders - Indianapolis.
- 5 Good Friday - Legal Holiday (IC 1-1-9-1)
- 15 Member of Tax Adjustment Board to be appointed before this date to serve one year in counties that have not abolished such board.
(IC 6-1.1-29-2)
- Last day to make pension report and payment for first quarter by counties participating in Public Employees' Retirement Fund.
- 20 Last day to report and make payment of balance of State and County Income Tax withheld in March to Indiana Department of Revenue.
- Last day to file quarterly unemployment compensation reports with Indiana Employment Security Division.
- 30 Prepare inventory of Loans to Common, Congressional, Permanent Endowment and Cemetery Trust Funds.
- Last day to file quarterly report of Federal withholding tax with Director of Internal Revenue.

May

- 1 Last day for Township Trustee to report to County Auditor all unpaid claims, because of lack of funds, for losses caused by dogs.
(IC 15-5-9-11)
- Prepare report of school funds to Auditor of State and make payment of principal and interest due to Treasurer of State on the Common and Permanent Endowment Funds, and pay the Treasurer of State all fines and forfeitures on hand April 30, 1996, as shown in this report. (IC 21-1-3-7)
- Prepare report of school funds (Form No. 6) and present the report to the Board of Commissioners for approval. After approval, mail one copy to State Department of Education, 229 State House, and one copy to Auditor of State, 240 State House.

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REMINDER OF ORDER OF BUSINESS
(Continued)

May - Continued

- 10 Last day for filing applications for tax deductions to obtain deduction on 1996 payable 1997 taxes. (IC 6-1.1-12-2)
- 13 Last day to make report to Auditor of State of all unpaid claims against the dog fund not covered by distributions to townships in March 1996. (IC 15-5-9-11)
- 15 On or before May 15 is the last regular day for filing applications for tax exemption by Churches, Educational and Charitable organizations. (IC 6-1.1-11-3)

Period of normal filing of personal property schedules ends. (IC 6-1.1-1-7)
- 15,16,
17 State Board of Accounts called meeting for County Auditors - Columbus
- 20 Last day to report and make payment of State and County Income Tax withheld in April to Indiana Department of Revenue.
- 27 Memorial Day - Legal Holiday (IC 1-1-9-1)

June

- 1 On or before this date County Treasurer shall search the records to ascertain if person so certified is delinquent in payment of Property Taxes and certify to Auditor of State and state agencies the names of state employees owing delinquent taxes. (IC 6-1.1-22-16)

County Auditor to prepare a list of persons owing delinquent taxes and believed to have money due from Auditor of State, State Highway Commission or any state institution or state school and furnish the list to those agencies on or before June 1.
- 15 On or before June 15 the County Auditor to give notice to tax exempt organizations which failed to file an application for exemption of property tax for which an exemption was effective for the previous year. (IC 6-1.1-11-5)
- 20 Last day to report and make payment of State and County Income tax withheld in May to Indiana Department of Revenue.

On or before this date complete settlement and distribution of taxes collected by the County Treasurer since the last settlement. Prepare settlement sheet to be submitted to Auditor of State for approval and make distribution of funds due local governmental units and the Treasurer of State by June 30. (IC 6-1.1-27-3)

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REMINDER OF ORDER OF BUSINESS
(Continued)

June - Continued

25,26,

27 State Board of Accounts called meeting for Clerks of the Circuit Courts - Indianapolis

30 County Treasurer to certify list of real property eligible for tax sale to County Auditor on or before July 1.

INFRACTION JUDGMENTS

IC 34-4-32-4(i) states that funds collected as judgments for violations of statutes defining infractions shall be deposited in the State General Fund. These fees are to be remitted to the State at each June and December Settlement (Section C, Line 7).

PENALTY ON DELINQUENT DRAINAGE ASSESSMENTS

Pursuant to IC 36-9-27-86(c), drainage assessments shall be considered taxes and the manner of collection shall be in accordance with the Property Tax Collection Laws (IC 6-1.1). In view of this, a 10% penalty should be added to unpaid drainage assessments due May 10; also, a 10% penalty should be added to all prior years' delinquent assessments unpaid on May 10.

DRAINAGE FUNDS - EXPENSES

The operating expenses of the county drainage board are payable from the County General Fund pursuant to valid appropriations being made by the county council. Such operating expenses include:

- a. per diem of members of the drainage board
- b. compensation of an attorney employed by the drainage board
- c. compensation of an engineer or surveyor appointed by the drainage board pursuant to IC 36-9-27-31
- d. compensation for secretarial or clerical service to the drainage board
- e. mileage: of the drainage board; of engineer or surveyor appointed by the board under c. above; of county surveyor and deputies when engaged in drainage work
- f. postage
- g. advertising and cost of notices given by the drainage board in projects involving reconstruction or maintenance
- h. office telephone
- i. official records
- j. office supplies
- k. office equipment

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DRAINAGE FUNDS - EXPENSES - (Continued)

Under item "c" the rate of compensation paid shall be assessed against the drainage project for which the engineer is employed. (IC 36-9-27-30)

Item "f" does not include postage for sending the notices the attorney for petitioners is required to mail. Such costs are reimbursable to the attorney from the General Drain Improvement Fund after the project has been finally and conclusively established. Reimbursements to the attorney for this expense, as well as his statutory fee under IC 36-9-27-61, shall be delayed until after the time has expired to petition a court for judicial review pursuant to IC 36-9-27-106 to 36-9-27-109. Item "f" does not include cost of mailing notices required by IC 36-9-27-52, involving reconstruction. Cost of advertising and giving notices required by this section are payable from item "g" and are chargeable items of expense against the affected reconstruction projects. (IC 36-9-27-11)

DRAINAGE FUNDS - MAINTENANCE AND CONSTRUCTION OR RECONSTRUCTION

Some counties are advancing money from the General Drain Improvement Fund to pay maintenance expenses or construction or reconstruction costs prior to holding hearings and fixing assessments against the benefited property owners and, in some cases, no assessments have been fixed.

(1) Maintenance Expenses - IC 36-9-27-38 contains the following provisions with respect to periodic maintenance:

"When the board has referred a legal drain classified in need of periodic maintenance to the surveyor he shall prepare a maintenance report, and shall include therein the established annual cost of periodically maintaining the drain...."

This wording is then followed with duties imposed upon the surveyor to include within his report the name and address of each owner, the legal description of the land of each owner and for the drainage board to prepare a schedule of assessments, hold a hearing thereon after giving due notice of such hearing, and to fix annual maintenance assessments for such maintenance expenses.

IC 36-9-27-45 allows maintenance work to be paid for from the General Drain Improvement Fund where a maintenance fund has not been established; however, we can find no authority for the drainage board or for the county surveyor to incur expenses in connection with the periodic maintenance of drains, or to pay any expenses connected therewith, unless the board has referred such drains to the surveyor.

We also recognize that IC 36-9-27-44 authorizes maintenance expenses up to \$1,500.00 on any drain to be paid from the General Drain Improvement Fund without annual maintenance assessments being established, subject to a maximum limit in any one year for all such maintenance expenses not to exceed \$10.00 per mile of legal drains in the county. However, unless maintenance assessments are established and the General

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DRAINAGE FUNDS - MAINTENANCE AND CONSTRUCTION OR RECONSTRUCTION - (Continued)

Drain Improvement Fund reimbursed, it will result in the General Drain Improvement Fund being depleted without any provision for advances to be made by the county to cover such expense.

(2) Construction or Reconstruction of Drains - The county auditor shall not pay construction or reconstruction costs in excess of the amount of final costs certified to the county auditor pursuant to IC 36-9-27-86. The items comprising the final costs are enumerated in IC 36-9-27-84 to include: contract price; incidental expenses (including advertising, engineering costs, etc.); damages; interest on any bonds issued under IC 36-9-27-94; and attorney fees, if any.

There is no requirement to have assessment rolls recorded in the county recorder's office.

It is the responsibility of the county auditor to see that disbursements for the construction or reconstruction of each drain do not exceed the amount assessed affected property owners on such drain. If costs exceed the assessments, the matter should be immediately referred to the county drainage board.

INVESTMENTS - REPURCHASE AGREEMENTS

IC 5-13-9-3(2) allows units of government to invest in repurchase or resale agreements. These involve the purchase and guaranteed resale of any interest-bearing obligations issued, or fully insured or guaranteed by the United States or any U.S. government agency. The amounts of these types of agreements must be fully collateralized by interest-bearing obligations as determined by the current market value computed on the day the agreement is effective.

To insure that ownership of securities acquired is vested in the governmental unit, it has been suggested by F.D.I.C. that the agreements be so written as to:

1. Vest title of the securities in the name of the governmental unit;
2. Describe the specific securities acquired; and
3. Represent a safekeeping receipt for the securities so acquired.

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PROSECUTING ATTORNEYS
NUMBER OF EMPLOYEES AND SALARIES

Pursuant to IC 36-2-5-4, each prosecuting attorney on or before July 1 of each year, for salaries and wages to be paid in the ensuing budget year, shall file with the county auditor County Form No. 144, titled "Statement of Salaries and Wages Proposed to be Paid Officers and Employees," setting out the number of employees and the rate of salary or wage to be paid each such employee from county funds. The salaries to be paid the prosecuting attorney and chief deputy prosecuting attorney by the State of Indiana shall not be included; however, if additional salary is to be paid by the county, such salary must be included.

The county council shall, at its annual budget meeting consider and act on the statements filed by all county offices and departments and the recommendations of the board of county commissioners, and shall adopt a separate ordinance fixing the salaries of officers, deputies, assistants and employees for each office.

PAYMENT OF SALARIES AND WAGES

All officers and employees of the prosecuting attorney's office for which salaries and wages have been fixed by the county council shall be paid on payrolls submitted by the prosecuting attorney in the same manner as other county officers and employees. In those counties where a person is employed on a part-time basis in the prosecuting attorney's office and part-time in a law firm or in the private practice of the prosecuting attorney, the portion of the salary payable by the county shall be paid directly to the employee by the county. The law firm or the prosecuting attorney should not be reimbursed for personal services of any employee whose salaries and wages are payable from county funds.

OFFICE SPACE

IC 33-14-7-20, contains the following provision concerning office space:

"...In the event any board of county commissioners does not furnish the prosecuting attorney with office space the county council shall appropriate a reasonable amount per year to the prosecuting attorney for office space."(Our Emphasis)

This law was originally enacted in 1959, and since the enactment of that law, it has been generally construed that the underscored wording permits the county council to appropriate a reasonable amount of money per year to the prosecuting attorney for office space, where an office is not furnished by the board of county commissioners. If the prosecuting attorney's office is located in a law office rented or owned by the prosecuting attorney or the law firm in which the prosecuting attorney is a member or partner, this will not preclude payment of the allowance to the prosecuting attorney or to the owner of the building; however, the

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PROSECUTING ATTORNEYS - (Continued)
OFFICE SPACE - (Continued)

amount of the allowance shall not exceed that fixed by the county council when the county budget is considered. The amount should be clearly set out in the budget estimate under an item titled "Rental of Office Space."

The term "office space" may include within that definition the cost of the space occupied by the prosecuting attorney's office, including utilities and equipment owned by the law office, but shall not include salaries of personnel, postage, office supplies, telephone charges and similar expenses which should be paid directly by the county. For telephone expenses to be paid by the county, the telephone should be listed in the name of "Prosecuting Attorney," in the same manner as other county offices and departments, which will exempt the telephone charges from federal excise taxes.

DISCLOSURE STATEMENT

If the prosecuting attorney received payment from the county for use of a building owned by the prosecuting attorney, or for the use of equipment owned by the prosecuting attorney, a disclosure statement may need to be filed with the Clerk of the Circuit Court and the State Board of Accounts in accordance with IC 35-44-1-3. A review of the disclosure statute is suggested to determine whether other activities of the prosecuting attorney require the filing of a disclosure statement.

PURCHASES

The board of county commissioners, by law, is the purchasing agent for the county and all general laws related to purchases should be observed.

The board of county commissioners is also responsible for maintenance of the court house in which the prosecuting attorney's office is located and, if any repairs or remodeling of the office are needed, the matter should be submitted to the board of county commissioners.

In some of the larger counties it is the practice to award annual contracts for certain equipment and care should be taken to see that equipment for the office is purchased in the same manner as is applicable to other county offices and departments. Also, it is suggested that when equipment is purchased, whether or not a contract is required to be awarded, that the purchase be approved by the board of county commissioners to avoid any question which might arise when the claim is submitted for allowance and payment.

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PROSECUTING ATTORNEYS - (Continued)
DISPOSAL OF PROPERTY

When property of the prosecuting attorney's office is disposed of by trade, sale or abandonment, the board of county commissioners should be consulted for their prior approval. It is suggested that the minutes of the meeting of the board of county commissioners reflect the decision and approval given the prosecuting attorney for the disposal of specific property.

CLAIMS AND ALLOWANCES

All expenses of the prosecuting attorney's office shall be paid upon properly itemized claims filed with the county auditor and allowed by the board of county commissioners, in the same manner as claims of other county offices and departments.

All salaries and wages shall be paid upon filing of a Payroll Schedule and Voucher, General Form No. 99. Mileage payable to the prosecuting attorney, deputies and assistants in the performance of their duties shall be itemized on Mileage Claim, General Form No. 101.

Claims of vendors for furnishing supplies and equipment should be filed on County Form No. 17 and each such claim should be fully itemized or have attached thereto itemized invoices to support the amount claimed. The practice of purchasing items for the office and being reimbursed therefore is discouraged.

COUNTIES - MEMBERSHIP DUES

We know of no statutory authority for the payment of dues or related expenses from public funds for individuals memberships in professional organizations.

County councils may appropriate necessary funds to provide membership of counties, and the elected and appointed officials and members of their respective boards and councils, in local, regional, state and national associations of a civic, educational or governmental nature which had as their purpose the betterment and improvement of municipal operations.

The county council should designate the associations to which dues could be paid and appropriate necessary funds to defray the expenses of the county representative.

If the county wishes to grant itself authority to continued these memberships, it is required that an authorizing ordinance be enacted by the board of county commissioners.

It should be further noted that dues in professional associations, such as the Indiana State Bar Association and the American Bar Association, as well as the disciplinary fees payable to the Supreme Court Disciplinary Commission, are not payable from county funds.

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PROSECUTING ATTORNEYS - (Continued)
COUNTIES - MEMBERSHIP DUES - (Continued)

Some prosecuting attorneys have relied upon IC 33-14-7-2 along with a line item appropriation to pay dues. This practice should stop. Counties which do not have a Home Rule Ordinance should adopt one immediately.

TITLE IV-D INCENTIVE PAYMENTS

The State Board of Accounts audit position in regard to expenditures of Title IV-D Incentive Payments is as follows:

1. These funds may be expended for any purpose for which the operating budget of the Prosecuting Attorney may be **properly** used.
2. Incentive Distributions received which are not used will carryover to the next year and may continue to be spent without appropriation.
3. Claims should be filed, advertised and allowed in the same manner as other county claims.

BAD CHECK ACCOUNTS

Prosecuting Attorneys desiring to maintain a Bad Check Account should submit a written request to the State Board of Accounts. The request should indicate whether all, or a portion of, the service charge on a bad check is to be retained by the prosecuting attorney. If a service fee is retained by the prosecuting attorney it should be pursuant to enactment of a "Home Rule" ordinance that has been enacted in accordance with IC 36-1-3 concerning the imposition of costs and service charges, and a copy of the Ordinance should accompany the written request for approval from this office. The State Board of Accounts will review the ordinance and the proposed program with corresponding comments concerning what the audit position will be in a letter of response to the inquiring prosecutor.

If the prosecuting attorney assesses and retains a service charge for processing bad checks, that fee or service charge becomes the property of the county and must be submitted to and receipted by, the County Auditor for deposit into the county general fund. Funds so received by the county may be expended by the prosecuting attorney only by following the budget appropriation and claim procedure. Funds collected through imposition of a bad check service charge may not be disbursed from the bad check account for the direct payment of prosecuting attorney office expenses. Such funds may only become available for this purpose upon appropriation by the county council from the county general fund into a line item in the prosecuting attorney's budget.

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PROSECUTING ATTORNEY - (Continued)
PRETRIAL DIVERSION PROGRAM

IC 33-14-1-7 provides that pretrial diversion fees must be paid by the program participant directly to the clerk. It is, therefore, improper for the prosecutor to collect the fees even if the fees are then forwarded by the prosecutor to the clerk. IC 33-14-1-7 is silent as to whether monies under a pretrial diversion program need to be appropriated. The State Board of Tax Commissioners has consistently been of the opinion, with which we concur, that appropriations should exist for all items unless expressly exempted by statute. Therefore, our audit position would be that expenditures from the pretrial diversion fund would be permissible only after an appropriation has been provided in the manner prescribed by law. Furthermore, we are of the audit opinion that claims should be filed, advertised and allowed in the same manner as other county claims pursuant to IC 36-2-6 for expenditures from the pretrial diversion fund.

IC 33-19-8-5 makes pretrial diversion fees a part of the County User Fee Fund. IC 33-19-8-6 requires claims to be submitted to the county council by the prosecuting attorney in order for pretrial diversion fees to be appropriated to that program or fund.

If the prosecuting attorney requests such appropriations in a separate pretrial diversion fund, then IC 33-19-8-7 allows for the excess amount needed to fund the pretrial diversion program to be used for any other purpose specified in the appropriation ordinance of the office of the prosecuting attorney if approved by the County Council.

STATE RATES FOR REIMBURSEMENT OF TRAVEL EXPENSES

The following amounts are set as reimbursable to State employees for necessary travel expenses:

Mileage (In-State Rate) - \$.25 per mile
Hotel Reimbursement - Single Room Rate
Per Diem for those on Overnight Travel Status - \$24.00 per day when in travel status over 12 hours. \$12 per day when in travel status between 7 1/2 hours to 12 hours. No substance is paid when travel status is less than 7 1/2 hours.

These rates are also to be used by County employees when attending State-called meetings.

CLERK'S - SUPPORT FEES

IC 33-19-6-5 provides "The Clerk shall collect a fee in addition to support and maintenance payments. The fee is:

- (1) twenty dollars (\$20) for the calendar year in which the initial order is entered, unless the first payment is due after June 30 of that calendar year;
- (2) ten dollars (\$10) for the calendar year in which the initial order was entered, if the first payment is due after June 30 of that calendar year; and

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CLERK'S - SUPPORT FEES - (Continued)

- (3) in each subsequent year in which the initial order or a modified order is in effect, twenty dollars (\$20) if the fee is paid before February 1, or thirty dollars (\$30) if paid after January 31."

The fee required is due at the time that the first support or maintenance payment for the calendar year in which the fee must be paid is due. The clerk may not deduct the fee from a support or maintenance payment.

IC 33-17-1-4 allows support fees to be used for the following:

- (c) The clerk is not personally liable or liable in the clerk's official capacity on the clerk's official bond for funds received if the clerk:

- (1) through error or in accordance with the best information available to the clerk, disbursed the funds to a person the clerk reasonably believed to be entitled to receive the funds and to comply with a:

- (A) child support order; or
(B) garnishment order

- (2) disbursed funds that the clerk reasonably believed were available for disbursement but that were not actually available for disbursement;

- (3) disbursed child support funds paid to the clerk by a personal check that was later dishonored by a financial institution; and

- (4) did not commit a criminal offense as part of the disbursement.

- (d) If the clerk improperly disburses funds in the manner described by subsection (c), the clerk shall do the following:

- (1) deduct an amount equal to the amount of funds improperly disbursed from fees collected under IC 33-19-6-5.

- (2) credit each amount from which funds were improperly disbursed with the amount of funds improperly disbursed under subsection (c).

- (3) notify the prosecuting attorney of the county of:

- (A) the amount of the improper disbursement;
(B) the person from whom the amount of the improper disbursement should be collected;
and

- (C) any other information to assist the prosecuting attorney to collect the amount of the improper disbursement.

- (4) record each action taken under this subsection on a form prescribed by the state board of accounts. (County Form 46SG)

- (e) If:

- (1) fees collected under IC 33-19-6-5 are credited to an account under subsection (d)(2) because a check or money order was dishonored by a financial institution or was the subject of a stop payment order; and

- (2) a person subsequently pays to the clerk all or part of the amount of the check or money order that was dishonored or the subject of a stop payment order; the clerk shall reimburse the account containing fees collected under IC 33-19-6-5 using the amount the person paid to the clerk.

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TRAVEL EXPENSES

In Official Opinion No. 74 of 1953 the Attorney General held that statutes do not authorize payment of a fixed travel allowance (Fixed amount regardless of the number of miles traveled) to city officers and employees. It is our audit position that this same reasoning would apply to county officers and employees.

The opinion states in part: "... I can find no statutory authority for the payment of a fixed monthly travel allowance to municipal employees and the employment relationship does not change the fact that such a "travel allowance" is in the nature of extra compensation to the employees involved."

This opinion is limited to the payment of a fixed monthly travel allowance and should not be considered as touching upon the authority of a city to reimburse its employees for travel upon a mileage basis, or by any other proper method based on the expense of the travel."

Based on the foregoing opinion the State Board of Accounts has taken the audit position that county officers and employees may be reimbursed for actual miles traveled in their own motor vehicles on official business of the county at a rate per mile as fixed by an ordinance of the county council. The county council should also determine if parking and toll fees shall be a part of the mileage rate or if the county officials and employees are to be reimbursed for parking and tolls in addition to their mileage reimbursement.

Reimbursed mileage should not include travel to and from the officer's or employee's home and the governmental office in which he works. If two or more persons ride in the same motor vehicle, only one mileage reimbursement is allowable.

General Form 101 should be used for claiming mileage if more than one trip is involved. The speedometer reading columns on this form are to be used only when distance between points cannot be determined by fixed mileage or official highway map.

When traveling on official business, county officers and employees may be reimbursed for meals, lodging and other necessary traveling expenses based upon the travel ordinance as established by the county.

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RECORDER'S RECORDS PERPETUATION FUND

The county treasurer shall establish a recorder's records perpetuation fund. All revenue received for furnishing typewritten copies of records, for furnishing copies of records produced by a photographic process, for transmitting a copy of a document by facsimile machine, and the supplemental fee for recording a document as authorized by ordinance shall be deposited in this fund. The county recorder may use any money in this fund without appropriation for the preservation of records and the improvement of record keeping systems and equipment. (IC 36-2-7-10(c)) (Our Emphasis)

The audit position of the State Board of Accounts is that this fund should not be used for salaries that create an employer-employee relationship. Any labor used for the preservation of records and the improvement of record keeping systems should be by an independent contractor relationship.

APPROVAL OF ACCOUNTING FORMS AND SYSTEMS

The State Board of Accounts is charged by law with the responsibility of prescribing and installing a system of accounting and reporting which shall be uniform for every public office and every public account of the same class. (IC 5-11-1-2)

A prescribed form is one which is put into general use for all offices of the same class, whereas an approved form is for special use in a particular office.

Counties are required by law to use the forms prescribed by this department. However, if it is desirable to use a different form or to have a prescribed form modified to conform to local conditions, a letter and three copies of the proposed form may be submitted to the State Board of Accounts for approval. No form should be printed and placed in use, other than a prescribed form, without prior approval.

As a result of advances in computer technology, some computer hardware, software and application systems can now produce exact replicas of the forms prescribed by the State Board of Accounts and documented in the Accounting Manuals which this agency provides to governmental units. In addition, some of the prescribed forms are currently replicated on continuous, preformatted computer paper.

Several software vendors have been able to take advantage of the newer technologies while other vendors have been unable to replicate prescribed forms. Certainly the prescribed form replication is the preferred approach from our audit position. However, in an effort to accommodate local units of government, the State Board of Accounts offers the following alternative.

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APPROVAL OF ACCOUNTING FORMS AND SYSTEMS - (Continued)

Decisions regarding the participation of counties with vendor software systems are the responsibility of the elected governing body of the county in accordance with statutory authority. Accordingly, a governing body, if desiring to use forms generated by a particular software program or package, may pass a resolution so stating their preference. The resolution and a letter (sample letter on page 15) would be sent to the State Board of Accounts for compliance with applicable statutes and regulations and to provide assurance that the county does indeed desire to use the forms. The forms submitted should be a facsimile of the prescribed system (headings and titles, etc.). Otherwise, a cross-reference to the prescribed form intended to be replaced should be submitted. The State Board of Accounts' approval is based upon compliance with the conditions outlined on pages 16 and 17 and review during the audits of the county. Thereafter, other counties may use any forms previously approved for the original county using that particular software program (assuming compliance with the conditions outlined on pages 16 and 17 and subsequent audits).

Any forms not previously reviewed and approved by the State Board of Accounts would need to go through the traditional form approval process.

Summarization of the new form approval process:

1. Board of County Commissioners "A" passes a resolution in a public meeting stating the desire to use forms generated by a specific software program.
2. A copy of the resolution along with information in the sample letter (Page 15) is sent to the State Board of Accounts by county "A" along with a sample of all reports and forms of the system. The forms submitted should be similar to the prescribed system (headings and titles, etc.). Otherwise, a cross-reference to the prescribed form intended to be replaced must be submitted.
3. County "A" receives an approval letter from the State Board of Accounts and begins using the forms without any further approvals in the future unless the forms change.
4. Counties "B", "C", etc., send to the State Board of Accounts the same type of resolution and sample letter (page 15), (no forms are sent to the State Board of Accounts). Counties "B", "C", etc., adhere to the conditions on pages 16 and 17 and recommendations made during audits and begin using the forms without further approvals in the future unless the forms change. **Previously approved forms for that system do not have to be sent in for approval.** Counties "B", "C", etc. will not receive approval letters as they have agreed to abide by the conditions listed in the "The County Bulletin".

We are hopeful the new process will provide an innovative procedure to save time and expense by counties while still complying with statutory and regulatory requirements.

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LETTERHEAD
OF
GOVERNMENTAL UNIT

State Board of Accounts
302 West Washington Street
4th Floor, Room E418
Indianapolis, Indiana 46204-2765

Re: Form Approvals

The **(NAME OF GOVERNING BODY)** passed the attached resolution concerning usage of forms for the **(NAME OF GOVERNMENTAL UNIT)**.

The **(NAME OF GOVERNING BODY)** is ultimately responsible for all forms and systems to be used. Accordingly, we are requesting to be authorized to use the forms and systems provided (1) for **(NAME OF COUNTY WHICH FIRST RECEIVED AN APPROVAL)** as these forms were approved by your office in writing as of **(DATE OF ORIGINAL APPROVAL)**. We will abide by the form approval requirements as stated in the "The County Bulletin" and during audits by the State Board of Accounts.

The **(NAME OF GOVERNING BODY)** will notify you in writing if desiring to discontinue use of the system approved. Any forms that are not in an all inclusive approved package would still need to be approved by your Office. Furthermore, if we desire to use any forms which have changed since the date of original approval above, and those forms have not received a written approval from your Office, we will immediately submit those forms for approval.

We also understand the process of a letter and resolution are not an attempt to provide preferential treatment to any vendor but instead are an effort to expedite the form approval process required by statute and regulation. Finally, we are aware that any system or hardware changes initiated by a vendor and the resultant costs, are vendor, market or consumer demand driven.

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(PRESIDENT OR CHAIRMAN OF THE GOVERNING BODY)

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(DATE)

))
(ELECTED OFFICE HOLDER)

))))))))))))))))))))
(DATE)

(1) The first county approved would have a period after the word "provided" and the rest of the sentence would be deleted. All other counties requesting use of that system should show the information stated after the word "provided".

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FORM APPROVAL CONDITIONS

1. Any items noted in red ink are a condition of approval.
2. The forms and system shall be subject to further review and/or recommendations during the audits of the county to allow for on-site review as well as to ensure compliance with current statutes.
3. Any other forms (checks, receipts, etc.) necessary to complete the system shall be submitted to the State Board of Accounts for approval. You shall continue to maintain all prescribed forms not otherwise covered by an approval.
4. All transactions that occur in the system must be recorded. Transactions can be maintained on-line, on backup tapes, microfilmed, or printed on hardcopy. These transactions include but are not limited to: all input transactions, transactions that generate receipts, transactions that generate checks, master file updates, and all transactions that affect the ledgers in any way. For all information maintained on the system, the system must be designed in such a manner that changes to a transaction file cannot occur without being processed through an application.
5. The ability must not exist to change data after being posted. If an error is discovered after the entry has been posted, then a separate correcting entry must be made. Both the correcting entry and the original entry must be maintained.
6. If the county owns the source code, sufficient controls must exist to prevent unauthorized modification. If the county does not own the source code, upon request or in the event the vendor no longer provides maintenance service for the system, the vendor shall provide representatives of the State Board of Accounts with access to all computer source code for the system. In addition, the vendor shall provide representatives of the State Board of Accounts with a document describing the operating system used, the language that the source code is written in, the name of the compiler used, and the structure of the data files including data file names and data file descriptions, field names and field descriptions for the system upon request.
7. Any checks, receipts, purchase orders, deposit advices or other prescribed forms that require numbering shall be serially prenumbered by the printing supplier prior to delivery to the county. All receipts are to be printed at the time money is received. Furthermore, checks, receipts, purchase orders or deposit advices shall not be presigned and shall have duplicates. An approved check register may be used to meet the duplicate requirement for check and deposit advices.

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FORM APPROVAL CONDITIONS - (Continued)

8. Recap sheets for each depository for deposit advices, if applicable, will be maintained indicating direct deposits. Individual wage assignment agreements will be kept on file to support direct deposit.
9. All print outs will be kept in post binders.
10. Checks drawn on multiple bank accounts should only occur as the result of compliance with the Public Depository Law.

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AMOUNTS AUTHORIZED TO BE RECEIVED BY SHERIFFS FOR BOARD OF PRISONERS

By authority of IC 36-8-10-7, I, Donald L. Euratte, C.P.A., State Examiner of the State Board of Accounts, do hereby fix the exact amount per meal which the sheriff of each county in the State of Indiana, having a population of less than 250,000 according to the last preceding United States census, shall be entitled to receive for feeding prisoners legally in his charge, including Federal prisoners, for a period of one year, beginning April 15, 1996. Amounts received by the sheriff from the Federal government for board and care of Federal prisoners shall be paid into the County General Fund.

In determining and fixing the amount per meal, the use of wholesome food in quantities and varieties necessary for the preservation of the health of the prisoners is contemplated. All expenses related to preparing and serving meals, except for the costs of food, shall be borne by the county.

The amounts fixed are for meals actually served such prisoners during each respective month. Not more than three meals at county expense are to be served to any one prisoner in any one day.

The term "month" shall mean a period of time beginning April 15, 1996, and thereafter ending on the fourteenth (14th) day of each succeeding month. Claims for meals for the month beginning December 15 will be paid from the appropriation for the succeeding year.

For number of meals served during a period of one month, per meal:

In counties having a population of less than 20,000	\$1.72
In counties having a population of 20,001 to 40,000	1.67
In counties having a population of 40,001 to 41,499	1.61
In counties having a population of 41,500 to 65,500	1.42
In counties having a population of 65,501 to 100,000	1.21
In counties having a population of 100,001 to 200,000	1.08
In counties having a population of 200,001 or over	1.01

IC 36-8-10-7 states that the state examiner shall increase the amount per meal by a percentage that does not exceed the percentage of increase in the United States Department of Labor Consumer Price Index during the year preceding the year in which an increase is established. The percent of increase in the Consumer Price Index from 1994 to 1995 was 2.5%. The increases shown in the above schedule are the maximum amounts allowed by IC 36-8-10-7.

The following counties will not be allowed the amounts authorized above:

Allen Lake Marion Vanderburgh

Donald L. Euratte, C.P.A.
State Examiner

Dated this 15th day of April, 1996
BAH/RJH:dsk